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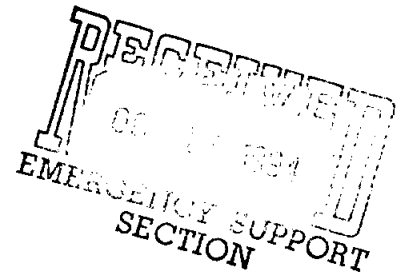
PLEASE REPLY TO THE MISSOURI OFFICE
FILE NO.

4510002/1

October 17, 1994

FEDERAL EXPRESS

Ms. Linda Beasley
Enforcement Specialist
U.S. EPA - Region V
Emergency Support Section HSE-5J
77 West Jackson Boulevard
Chicago, Illinois 60604



Re: Conservation Chemical Company of Illinois, Inc. Site
Gary, Indiana - General Notice of Potential Liability

Dear Ms. Beasley:

This letter responds to the September 28, 1994 general notice letter from the United States Environmental Protection Agency (EPA) to Bell Telephone Laboratories, Western Electric Company, and Teletype Corporation, all of which now are part of American Telephone and Telegraph Company and will be referred to collectively herein as "AT&T."

Further contact with AT&T should be addressed to the following individuals:

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AT&T is willing to discuss with EPA and other potentially responsible parties the possibility of a cooperative effort to perform or finance the activities described in your letter.

AT&T wishes to include in the discussion a consideration of certain factors affecting its potential liability at the site compared to the potential liability of other PRPs. These factors include but are not limited to the following:

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1. A removal action conducted by AT&T and other members of the 6500 Industrial Highway Group abated the imminent and substantial endangerment previously identified at the site, i.e., the threat that cyanide wastes and acid wastes might combine to form hydrogen cyanide gas.

2. Any acid or cyanide waste that AT&T may have contributed to the site has been removed from the site.

3. Upon completion of its surface work at the site, the 6500 Industrial Highway Group tendered the gate keys to the EPA several years ago. Staged barrels that have accumulated and housekeeping problems that have arisen since then are the responsibility of EPA and its contractor.

4. EPA previously agreed to treat the cost of cleaning up the PCB-contaminated materials as an orphan's share and pay the cost out of the Fund. Moreover, EPA has multiplied the volume of PCB-contaminated materials by mixing the materials with lime.

5. AT&T did not contribute to the oily material allegedly detected in the groundwater. Prior to CCCI's occupancy, the site was used as an oil refinery. Neighboring sites, such as Western Scrap, also are likely sources of oily material.

As a result of the foregoing, AT&T believes that its continuing involvement with the site is at the de minimis level, if any. Nevertheless, AT&T recognizes the practicality of attempting to resolve CERCLA disputes without litigation. Accordingly, AT&T is willing to attend the November 10, 1994 meeting and discuss with EPA and other potentially responsible parties the possibility of jointly funding the remaining clean-up work.

Very truly yours



CHH:nrl

cc: Ralph L. McMurry, Esq.
Cynthia Kawakami, Esq.
(US EPA Regional Counsel, Region V - Chicago)
Clifton A. Lake, Esq.
Ms. Judy McCarthy